SUPREME COURT, U. S.

Supreme Court, U.S.
FILED
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E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1593

SOCIETE INDUSTRIES MECHANIQUES ALLIES,

Petitioner,

VS.

**HONORABLE OREN R. LEWIS,
UNITED STATES DISTRICT JUDGE
FOR THE EASTERN DISTRICT OF VIRGINIA,
ALEXANDRIA DIVISION,**

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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Record References

Citations to the portions of the record herein certified to this Court by the Court of Appeals for the Fourth Circuit that are in the printed Appendix to this Petition are given as "A" followed by the page number, e.g. "(A-2)".

The "Appendix Accompanying Petition for Writ of Mandamus" of the record hereto which is not printed is separately paged. Citations to that portion of the record are given by "AR" followed by the page number of the Appendix Accompanying Petition for Writ of Mandamus, e.g. "(AR 1)".

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No.

SOCIETE INDUSTRIES MECHANIQUES ALLIES,

Petitioner,

VS.

**HONORABLE OREN R. LEWIS,
UNITED STATES DISTRICT JUDGE
FOR THE EASTERN DISTRICT OF VIRGINIA,
ALEXANDRIA DIVISION,**

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Petitioner, Societe Industries Mechaniques Allies (S.I. M.A.), prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Fourth Circuit entered in the above-entitled cause on January 18, 1971.

OPINIONS BELOW.

The order and opinion entered November 5, 1970 by the United States District Court for the Eastern District of Virginia, Alexandria Division, Lewis, J., in Deering Milliken Research Corporation v. Constantine Vecchioni and Societe Industries Mechaniques Allies, Civil Action 68-70-A have been unofficially reported at 168 U.S.P.Q. 59. The District Court's order entered November 27, 1970 denying petitioner's motion to amend the order of November 5, 1970 to permit an interlocutory appeal has not been reported. Copies of both are printed in the Appendix hereto at pages A-1 - A-4.

The order of the Court of Appeals for the Fourth Circuit denying the petition for a writ of mandamus in Societe Industries Mechaniques Allies v. Honorable Oren R. Lewis, United States District Judge for the Eastern District of Virginia, Alexandria Division, Cause No. 15,383, has not been reported. A copy thereof is printed in the Appendix hereto at p. A-5.

JURISDICTION.

The order of the Court of Appeals for the Fourth Circuit sought to be reviewed was entered on January 18, 1971. A petition for rehearing was not filed. Jurisdiction of this Court is invoked under Title 28, United States Code, Section 1254(1).

QUESTIONS PRESENTED.

1. Whether it is a denial of due process of law under the Fifth Amendment to the United States Constitution and the policy of equal benefit of the laws set forth in 42 U.S.C. 1981 to hold that venue of patent infringement actions against citizens is determined solely by the patent venue statute [28 U.S.C. 1400(b)] and not by the general venue statute [28 U.S.C. 1391], while holding that venue of such actions as to aliens is determined solely by the general venue statute.

2. Whether this Court's decisions in *Stonite, Fourco,* and *Schnell**, preclude judicial legislation superseding the patent venue provisions of 28 U.S.C. 1400(b) by the general venue provisions of 28 U.S.C. 1391(d) to confer personal jurisdiction over an alien corporation having no place of business in the United States, no officers or employees in the United States, and having committed no act of infringement in the judicial district where suit is brought.

3. Where a Court of Appeals has sanctioned a District Court decision construing 28 U.S.C. 1400(b) and 28 U.S.C. 1391(d) in a manner conflicting with applicable decisions of this Court and another Court of Appeals, should this Court resolve the conflict by granting certiorari and stating a proper construction of the statutes in question.

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* *Stonite,* 315 U.S. 561 (1942)
Fourco, 353 U.S. 222 (1957)
Schnell, 365 U.S. 260 (1961)

This Court denied certiorari (389 U.S. 859) in *Coulter Electronics, Inc.* v. *A. B. Lars Ljungberg Co.*, 376 F. 2d 743 (7th Cir. 1967), which is the only Court of Appeals decision dealing with patent venue as to aliens. It holds the law to be as petitioner asserts. The Fourth Circuit has likewise acknowledged the broad principle that 28 U.S.C. 1400(b) is not to be supplemented by 28 U.S.C. 1391. Yet the Court below followed two contrary district court decisions and held:

> "Clearly S.I.M.A. [petitioner] is an alien. It is not an inhabitant of any district and may be sued in any district within which process can be served on it. 28 U.S.C. §1391(d)." (A-1)

STATUTES INVOLVED.

28 U.S.C. 1338(a) provides:

> Patents, copyrights, trademarks and unfair competition.
>
> (a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

28 U.S.C. 1400(b) provides:

> Patents and copyrights.
>
> (b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

28 U.S.C. 1391(d) provides:

> Venue generally.
>
> (d) An alien may be sued in any district.

STATEMENT OF THE CASE.

Nature of the Action

The case in which this petition arises is the *third* in a series of patent infringement actions commenced by the plaintiff in different judicial circuits. It was brought in the Eastern District of Virginia for the purpose of avoiding the rule of *Coulter Electronics, Inc.* v. *A. B. Lars Ljungberg Co.*, 376 F. 2d 743 (7th Cir. 1967); cert. den. 389 U.S. 859, barring venue and jurisdiction as to petitioner. (AR 138) Plaintiff alleges infringement of unadjudicated United States Letters Patent Nos. 2,830,431 and 2,834,178, entitled "Strand Twisting Machine" and "Strand Handling Machine", respectively. In each of the three cases, the machine accused to be an infringement is a machine made and sold by petitioner in Italy.

The Parties

Petitioner is a corporation organized and existing under the laws of Italy having its principal place of business at Bologna, Italy. It has no office, place of business or property in the United States. (AR 4, 10, 53)

Co-defendant Vecchioni resides at Fairfax, Virginia, having moved from Wood Dale, Illinois on or about June 1, 1969. He is president and director of V. C. Industrial International Company, an Illinois corporation. (AR 32)

Plaintiff is a corporation of South Carolina having its principal place of business at Spartanburg, South Carolina. (AR 4) It holds bare legal title to the Letters Patent, having granted an exclusive license to another who is not a party to the action. (AR 135)

The Proceedings Below

Plaintiff filed the complaint in the Eastern District of Virginia on February 12, 1970, having previously filed suit against a customer in the Central District of California on March 13, 1969 and another suit against defendant Vecchioni in the Northern District of Illinois on November 10, 1969. On July 4, 1970, a copy of the present complaint and an alias summons to petitioner were served on defendant Vecchioni, characterized in the summons as general or managing agent of petitioner. Vecchioni answered and moved for dismissal, transfer or stay of this action in view of the previously commenced action against him in the Northern District of Illinois. The motions of defendant Vecchioni are pending and undecided. (AR 10, 20)

In lieu of filing an answer, petitioner filed a special appearance and moved on July 24, 1970 to quash the service of process and to dismiss the action as to it for lack of jurisdiction over the person and improper venue. The motions of petitioner were denied by the Order of November 5, 1970. (A-1)

In explanation, the District Court followed the decisions in *Olin Mathieson Chemical Corp.* v. *Molins Organization, Ltd.,* 261 F. Supp. 436 (E.D. Va. 1966) nd *Chas. Pfizer & Co.* v. *Laboratori Pro-Ter Prodotti Therapeutici,* 278 F. Supp 148 (S.D. N.Y. 1967) notwithstanding the contrary decision by the Seventh Circuit in *Coulter Electronics,* supra pp. 4, 5.

The District Court further concluded after reciting certain acts of defendant Vecchioni in relation to petitioner:

"Being not only the highest ranking but the only person in the United States to handle S.I.M.A.'s business in the United States, this Court is of the opinion that service of process on Vecchioni as the agent of S.I.M.A. constitutes legal service on S.I.M.A. in this District." (A-2)

On November 13, 1970, petitioner moved the District Court to amend the Order to include a certificate under 28 U.S.C. 1292(b) to permit an application for an interlocutory appeal to the Court of Appeals for the Fourth Circuit. The District Court denied this motion on November 27, 1970. (A-4)

On December 14, 1970, pursuant to 28 U.S.C. 1651, petitioner filed a petition for writ of mandamus in the Court of Appeals for the Fourth Circuit directing that the District Court vacate the Order of November 5, 1970, quash service of process on petitioner, and dismiss the action as to petitioner for lack of jurisdiction and improper venue. The Court of Appeals entered an Order on December 18, 1970 directing plaintiff to answer the petition. Plaintiff filed an answer on January 11, 1971. On January 18, 1971, the Court of Appeals entered an order denying the petition. (A-5)

Relation of Petitioner's Business to Defendant Vecchioni

Petitioner S.I.M.A. makes and sells in Italy various types of machines for the textile industry, such as twisters and winders, for making yarns, cords and rope. (AR 33) One of these machines known as a T2T/R twister-winder is accused in the complaint as being an infringement of plaintiff's two Letters Patent. Specifically, petitioner is charged with "selling its Model T2T/R

Twister-Winder machines through its agent, the said defendant Vecchioni". (AR 67) No such machine had been purchased by a U.S. company for over a year and a half prior to commencement of this action. (AR 66)

Petitioner has twice displayed its machines in the United States, at textile trade shows in 1965 and 1967. Orders were taken for machines at the two shows, but none for the accused machines. Neither show was in Virginia and no machines had been displayed by petitioner anywhere in the United States for two and a half years prior to commencement of this action. (AR 34)

Except for the orders for machines given to petitioner at the 1965 and 1967 trade shows, all orders are sent to Italy where they are accepted or rejected by petitioner. The machines are there made, invoiced and shipped to the United States and elsewhere around the world. (AR 34, 43, 67, 69, 70)

Companies in the United States wishing to purchase machines of the type sold by petitioner S.I.M.A. learn of its machines primarily from European trade shows or by literature direct from Italy. (AR 34, 74-75, 85, 96, 97)

Requests for information concerning petitioner's machines are forwarded to Italy where a quotation including price, delivery and terms of payment is prepared. If a purchase order from a United States company follows, it is acknowledged and accepted or rejected in Italy by direct correspondence with the prospective purchaser. Thereafter, the machine, if the order is accepted, is invoiced and shipped from Italy. (AR 33, 34, 104-107)

The V. C. Industrial International Corporation of which defendant Vecchioni is the president and sole employee,

had its principal place of business in Chicago, Illinois until February, 1970, when it obtained a forwarding address at Burke, Virginia, following the move of defendant Vecchioni to that state. (AR 32) The principal business of the corporation was buying and selling equipment for use in the molding of plastic materials and is unrelated to petitioner. (AR 33)

Since about 1965 and 1966, the Illinois corporation has provided, and still provides, a mail address and telephone answering service for petitioner S.I.M.A. As the only active officer and employee of the Illinois corporation, and not individually, defendant Vecchioni has functioned and still functions as a communication and translation service for messages transmitted to and from S.I.M.A. and companies or persons in the United States. (AR 33)

The compensation for such services is paid by petitioner S.I.M.A. to the Illinois corporation and comprises a commission based on a percentage of the sales price of machines shipped to the United States by S.I.M.A. The gross commission is about ten percent which netted five or six percent after paying expenses. (AR 34)

Neither defendant Vecchioni nor the Illinois corporation:

(1) Solicits the sale of S.I.M.A. machines,

(2) Collects money due S.I.M.A.,

(3) Operates, controls, manages or has possession of any office or property of S.I.M.A.,

(4) Makes any contracts, agreements or sales for S.I.M.A.,

(5) Conducts any advertising for S.I.M.A.

Neither of them has done so in the past. (AR 34, 35)

Petitioner S.I.M.A. has not at any time authorized defendant Vecchioni or said corporations to collect money for it, to manage or operate any office or property for it, to make any sale or purchase for it, to enter into any agreement for it, to receive service of process for it, or to make any binding representation for it other than the retyping of a quotation for a machine. (AR 35)

Defendant Vecchioni is not and has not at any time been an employee, officer, or director, nor has he participated in any of its management functions. He has never been a shareholder or the holder of any other proprietary interest in S.I.M.A. He has no contract with S.I.M.A., only an oral understanding that a commission will be paid to the Illinois corporation on machines shipped to the United States. He has never received reimbursement for expenses from S.I.M.A. or ever displayed or listed the S.I.M.A. name. (AR 35, 36)

The major portion of defendant Vecchioni's time is, and for the past several years has been, spent in the buying and selling of molds and equipment for making plastic parts and articles. This activity is not related in any way to S.I.M.A. (AR 33, 53)

REASONS FOR ALLOWANCE OF THE WRIT.

1. Discriminatory Application of the Venue Statutes As Between Citizen and Alien Defendants in Civil Actions for Patent Infringement Is Constitutionally Indefensible.

The District Court decision, as sanctioned by the Fourth Circuit, would limit the applicability of the special patent venue statute [28 U.S.C. 1400(b)] to citizens while excluding aliens. Venue as to all citizen defendants in patent infringement actions would thus be determined by the patent venue statute and not the general statute [28 U.S.C. 1391]. Venue as to alien defendants in the same civil actions would be determined solely by the general venue statute.

The exclusion of aliens from the scope of the special venue statute governing all other defendants in civil actions for patent infringement is repugnant to the concepts of due process and equal benefit of the law. It is well settled that these Constitutional protections extend to aliens as well as citizens. *Galvan* v. *Press,* 347 U.S. 522, 530 (1954); *Takahashi* v. *Fish Comm'n,* 334 U.S. 410, 420 (1948).

2. The Decisions of the Courts Below Are Inconsistent with Applicable Supreme Court Decisions.

This Court held unequivocally in *Stonite Co.* v. *Melvin Lloyd Co.,* 315 U.S. 561, 563-567 (1942) that Section 48 of the Judicial Code (28 U.S.C. 109), derived from the Act of 1897 and later recodified as 28 U.S.C. 1400(b), "is the exclusive provision governing venue in patent

infringement proceedings" and that "Congress did not intend the Act of 1897 to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings."

In its subsequent decision in *Fourco Glass Co.* v. *Transmirra Corp.*, 353 U.S. 222, 228, 229 (1957), this Court noted that "28 U.S.C. §1400(b) made no substantive change from 28 U.S.C. (1940 ed.) §109 [§48 of the Judicial Code] as it stood and was dealt with in the *Stonite* case". This was reaffirmed in *Schnell* v. *Peter Eckrich & Sons, Inc.*, 365 U.S. 260 (1961), where this Court declined to enlarge upon the mandate of Congress as to venue in such patent actions because it "would be an intrusion into the legislative field".

If permitted to stand, the decisions of the Courts below would superimpose on 28 U.S.C. 1400(b) an exception as to aliens by a construction of that statute inconsistent with the view expressed so unequivocally by this Court in *Stonite, Fourco* and *Schnell,* supra. It is submitted that, in such circumstances, the grant of certiorari and reversal per curiam would be in order. *Egan* v. *City of Aurora,* 365 U.S. 514 (1961).

3. This Court Should Resolve the Growing Conflict Between Circuits on Patent Venue as to Alien Defendants.

The *Olin Mathieson* decision, supra p. 6, and the concurring decision of the Southern District of New York in *Charles Pfizer & Co.* v. *Laboratori Pro-Ter Prodotti Therapeutici,* 278 F. Supp. 148 (S.D. N.Y., 1967), relied upon by the Courts below, are contrary to the rule expressed by this Court in *Stonite, Fourco* and *Schnell.*

Both *Olin Mathieson* and *Charles Pfizer* would superimpose the general venue statute relating to aliens [28 U.S.C. 1391(d)] as an exception to Section 1400(b). Prior to the instant case, the *Olin Mathieson* decision had not been followed by an appellate court. It was specifically rejected by the Seventh Circuit Court of Appeals in *Coulter Electronics*, supra pp. 4-6.

As a result of these conflicting decisions, the country is being divided into jurisdictions which accord different treatment to alien defendants in civil actions under 28 U.S.C. 1338(a) based on federally granted patent rights. Alien defendants are dismissed out of the Seventh Circuit for lack of venue pursuant to Section 1400(b), e.g. *Raytheon Company* v. *Sanyo Denki KK et al.*, 168 USPQ 422 (N.D. Ill., 1970). On the other hand, alien defendants, petitioner included, who would not be subject to venue under 1400(b) are held in the Fourth and Second Circuits and forced to trial with venue obtained under 1391(d). The availability of appeal on the question after a lengthy patent trial is of conjectural value.

4. The District Court's Assumption of Jurisdiction Over Petitioner Is Neither Fair, Reasonable, Nor Just.

The minimum contacts needed to establish jurisdiction over petitioner are utterly lacking. (AR 33-36) Where as here, the contacts by petitioner with this country have been less than sporadic and no substantial attempt has been made to do business in this country, there is no basis for subjecting petitioner to the difficult and expensive task of conducting patent litigation in this country. Under such circumstances, it is neither fair, reasonable, nor just to make petitioner stand trial in the United States for acts conducted in Italy.

Plaintiff clearly is not without remedy. It already has sued a user in California, and also Vecchioni, accused as the channel through which sales are made. If plaintiff has a cause of action, its only right invaded in any event is use of the machines in this country. That right it has pursued in the California case. If there has been any sale of an accused machine in this country, it will be determined in the action against Vecchioni in Illinois. On the record made, plaintiff can fully protect its rights if it succeeds in the prior actions. Its U.S. patent monopoly is not extraterritorial.

We respectfully submit that when an "'estimate of the inconveniences' which would result to the petitioner from a trial away from its 'home' or principal place of business" is considered, the District Court's assertion of jurisdiction over the petitioner was improper. *International Shoe Co.* v. *Washington,* 326 U.S. 310 (1945).

CONCLUSION.

For the reasons above set forth, this petition for writ of certiorari should be granted.

Respectfully submitted,

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April 17, 1971

APPENDIX

IN THE UNITED STATES DISTRICT COURT
For The Eastern District Of Virginia
Alexandria Division

DEERING MILLIKEN RESEARCH CORPORATION,
Plaintiff

v.

CONSTANTINE VECCHIONI and SOCIETE INDUSTRIES MECHANIQUES ALLIES,
Defendants

Civil Action No. 68-70-A

ORDER

The Court is of the opinion that defendant's (hereinafter called SIMA) motion to quash service of process and to dismiss for lack of jurisdiction ought to be denied, and

It Is So Ordered.

Clearly SIMA is an alien. It is not an inhabitant of any district and may be sued in any district within which process can be served on it. 28 U.S.C. § 1391(d).

Jurisdiction and venue in patent infringement cases against aliens are not grounded exclusively on 28 U.S.C. § 1400(b). This Court, speaking through Judge Butzner, so determined in *Olin Mathieson Chemical Corp.* v. *Molins*

Organization, Ltd., 261 F. Supp. 436 (1966). The Southern District of New York, in *Chas. Pfizer & Co.* v. *Laboratori Pro-Ter Prodotti Therapeutici*, 278 F. Supp. 148 (1967), concurred in the views expressed by Judge Butzner notwithstanding a contrary decision by the Seventh Circuit in *Coulter Electronics Co.* v. *A. B. Lars Ljungberg & Co.*, 376 F. 2d 743 (1967). The facts in the *Chas. Pfizer* case are not too unlike those here.

Service on SIMA in this district was had by serving a copy of the summons and complaint upon the co-defendant Vecchioni, the alleged manager or general agent of SIMA. Vecchioni's residence in Virginia is not questioned. His status as SIMA's only representative in this country was clearly established by deposition and affidavit. They show that Vecchioni sold SIMA machines at a trade show in the United States; that he furnished field servicing for these machines; that he transmitted orders to SIMA in Italy for spare parts; that he provided mailing and telephone answering service for SIMA; and that he received commissions for all SIMA machines sold in the United States.

Being not only the highest ranking but the only person in the United States to handle SIMA's business in the United States, this Court is of the opinion that service of process upon Vecchioni as the agent of SIMA constitutes legal service on SIMA in this district.

SIMA should, therefore, file its answer and grounds of defense to the complaint on or before twenty days from the date of this order, if it has not already so done.

The Clerk will send a copy of this order to all counsel of record.

/s/ Oren R. Lewis
United States District Judge

November 5, 1970

A True Copy, Teste:

W. Farley Powers, Jr., Clerk

By /s/ Betty Dodson
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
For The Eastern District Of Virginia
Alexandria Division

DEERING MILLIKEN RESEARCH CORPORATION,
Plaintiff

v.

CONSTANTINE VECCHIONI and SOCIETE INDUSTRIES MECHANIQUES ALLIES,
Defendants

Civil Action
No. 68-70-A

ORDER

This cause having come on to be heard on November 24, 1970, upon the Motion of Defendant, Societe Industries Mechaniques Allies (hereinafter S.I.M.A.) to amend Order of this Court dated November 5, 1970, and upon S.I.M.A.s Motion For Stay and the Court having considered said Motions, and the arguments and statements of counsel;

It is hereby ordered:

1. The motion to amend the order is denied.

2. The motion for stay is granted and defendant, S.I.M.A. is given an additional twenty days from the date specified in the order of this Court of November 5, 1970, to file its answer and grounds of defense to the complaint.

/s/ Oren R. Lewis
United States District Judge

November 27, 1970

UNITED STATES COURT OF APPEALS
For The Fourth Circuit

No. 15,383

SOCIETE INDUSTRIES MECHANIQUES ALLIES,

Petitioner,

versus

HONORABLE OREN R. LEWIS, United States District Judge for the Eastern District of Virginia, Alexandria Division,

Respondent.

ORDER

The petition for a writ of mandamus and answer thereto having been read and considered, it is, with the concurrences of Judge Craven and Judge Butzner,

ORDERED, that said petition be, and it is hereby, denied.

For the Court:

/s/ Harrison L. Winter
United States Circuit Judge

January 18, 1971.

A True Copy, Teste:

Samuel W. Phillips, Clerk

By /s/ Virginia Lipford
Deputy Clerk

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1593

SOCIETE INDUSTRIES MECHANIQUES ALLIES, *Petitioner*,

v.

HONORABLE OREN R. LEWIS, UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA, ALEXANDRIA DIVISION, and DEERING MILLIKEN RESEARCH CORPORATION, *Respondents*

RESPONDENT DEERING MILLIKEN RESEARCH CORPORATION'S ANSWERING BRIEF TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

OPINIONS BELOW

The section entitled "Opinions Below" in the Petition for Certiorari correctly sets forth the relevant proceedings and opinions below, except insofar as it fails to point out that plaintiff in the District Court, Deering Milliken Research Corporation, was an additional respondent to the Petition for a Writ of Mandamus presented to the Fourth Circuit. This brief purports to speak only for Respondent Deering Milliken Research Corporation.

JURISDICTION

The Petition for Certiorari correctly states that the jurisdiction of this Court is invoked under Title 28, United States Code, Section 1254(1), this being a case in the Court of Appeals before rendition of judgment or decree.

QUESTIONS PRESENTED

Inasmuch as this Petition seeks review of a U.S. Court of Appeals order denying the granting of an extraordinary writ, the initial question presented by this Petition is:

1. Did the Court of Appeals abuse its discretion in refusing to issue a Writ of Mandamus to review the interlocutory order entered prior to trial in this civil action? The District Court's interlocutory order in question had denied the motion of one of two co-defendants to dismiss the action against that co-defendant.

Only if this threshold question were affirmatively answered would the following question be raised:

2. May an action for patent infringement against an alien corporation which has no "regular and established place of business" in any judicial district in the United States and which (by definition) is not a resident of any judicial district in the United States be brought in any district in which that defendant may be served, as provided by the "alien venue statute" 28 U.S.C. § 1391(d); or is an alien corporation which is not subject to suit in any district specified by the special patent venue statute 28 U.S.C. § 1400(b) immune from the enforcement against it of U. S. patents which can be enforced against its U.S. competitors?

STATUTES INVOLVED

28 U.S.C. 1391(d) provides:

> Venue generally.
>
> (d) An alien may be sued in any district.

28 U.S.C. 1400(b) provides:

> Patents and copyrights.
>
> (b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

28 U.S.C. 1651(a) provides:

> Writs.
>
> (a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

STATEMENT OF THE CASE

Respondent Deering Milliken Research Corporation, plaintiff below, is the owner of two United States Patents concerning strand twisting and strand handling machinery employed in rope and cord manufacture. It brought suit for infringement in the Eastern District of Virginia against Petitioner, an alien corporation, and an individual co-defendant who admits to being a resident of that district. The complaint (Record, Petition for Writ of Mandamus, Appendix, p. 6) avers that Petitioner manufactures certain twister-winder machines in Italy and that it infringes Respondent's United States Patents by selling those

machines in the United States through its agent, the individual co-defendant.

Before answering, Petitioner moved under FED. R. CIV. P. 12 to dismiss the action with regard to itself on several grounds, including the ground of improper venue. The District Court (the other respondent to this Petition) denied the motion to dismiss on all of the grounds advanced in an interlocutory order and subsequently denied a motion by Petitioner to amend that interlocutory order with a statement that would permit Petitioner to seek a discretionary appeal of the interlocutory order under 28 U.S.C. § 1292(b).

Petitioner then petitioned the United States Court of Appeals for the Fourth Circuit for a Writ of Mandamus to review the interlocutory order. After consideration of the petition, and of the answer thereto which it had ordered Respondent Deering Milliken Research Corporation to submit, the Court of Appeals denied issuance of a Writ of Mandamus without opinion. It is from that denial that this Petition is taken.

Petitioner is a corporation of Italy and admits that it has no regular and established place of business anywhere in the United States (Petition, p. 5). Petitioner also admits to having twice displayed the machines in question at trade shows in the United States and to having received orders for those machines at those shows (Petition, p. 8).

ARGUMENT

1. Mandamus

The order of the District Court denying Petitioner's motion to dismiss was clearly an interlocutory order, not subject to direct appellate review, *Catlin* v. *U. S.*[1]

[1] 324 U.S. 229 (1945).

Petitioner, after failing to bring itself within any of the limited statutory provisions affording immediate appellate review of interlocutory orders,[2] sought thereupon to achieve immediate appellate review by means of extraordinary writ. The Court of Appeals denied Petitioner's invitation to circumvent the orderly statutory appellate scheme in the light of this Court's recent pronouncement on the subject in *Will* v. *U. S.*:[3]

> All our jurisprudence is strongly colored by the notion that appellate review should be postponed, except in certain narrowly defined circumstances, until after final judgment has been rendered by the trial court. . . . Mandamus, of course, may never be employed as a substitute for appeal in derogation of these clear policies.[4]

The District Court, in making its interlocutory ruling which Petitioner seeks to review by extraordinary writ, applied the interpretation of the relevant venue statutes then being followed by district courts of the circuit in which it sits. This is admitted on page 6 of the Petition:

> In explanation, the District Court followed the decisions in *Olin Mathieson Chemical Corp.* v. *Molins Organization, Ltd.*, 261 F.Supp. 436 (E.D. Va. 1966) and *Chas. Pfizer & Co.* v. *Laboratori Pro-Ter Prodotti Therapeutici,* 278 F.Supp. 148 (S.D. N.Y. 1967) notwithstanding the contrary decision by the Seventh Circuit in *Coulter Electronics,* supra pp. 4, 5.

While the statutory interpretation followed by the District Court in the interlocutory order in question is

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[2] 28 U.S.C. § 1292.

[3] 389 U.S. 90 (1967).

[4] Id. at 96-97.

the one urged upon it by Respondent and the interpretation which Respondent believes to be the correct one (see section on "Venue", infra), the interpretation could under no possible circumstances constitute anything worse than a reversible error on a matter within the District Court's jurisdiction. With respect to such situations, this Court in *Will* v. *U. S., supra,*[5] also reiterated that extraordinary writs were totally inappropriate:

> Thus the most that can be claimed on this record is that petitioner may have erred in ruling on matters within its jurisdiction.... But "[t]he extraordinary writs do not reach to such cases; they may not be used to thwart the congressional policy against piecemeal appeals."... Mandamus, it must be remembered, does not "run the gauntlet of reversible errors." . . . Its office is not to "control the decision of the trial court", but rather merely to confine the lower court to the sphere of its discretionary power.[6]

The reason advanced by Petitioner to the Court of Appeals for abandoning orderly appellate procedure in this instance was that as an alien it should be spared the "difficulty and expense" inherent in the preparation for and conduct of a trial. However, for the Court of Appeals to have granted the writ for this reason would have been directly contrary to the result in *Roche* v. *Evaporated Milk Ass'n*[7] wherein a contemplated trial of several months duration on an antitrust indictment was considered inadequate grounds

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[5] Note 3, supra.

[6] Id. at 103-04.

[7] 319 U.S. 21 (1943).

to warrant the circumvention of orderly appeals procedures by use of extraordinary writs:

> Respondents stress the inconvenience of requiring them to undergo a trial in advance of an appellate determination of the challenge now made to the validity of the indictment. We may assume, as they allege, that that trial may be of several months' duration and may be correspondingly costly and inconvenient. But that inconvenience is one which we must take it Congress contemplated in providing that only final judgments should be reviewable.[8]

There is no question that the U. S. courts of appeal have the discretionary power to issue extraordinary writs under the All Writs Act.[9] In *Will* v. *U. S.*, *supra*,[10] this Court has recently reiterated that "only exceptional circumstances amounting to a judicial 'usurpation of power' will justify the invocation of this extraordinary remedy."[11] If the Court of Appeals is held to have abused its discretion in denying the issuance of a writ of mandamus in this instance, then immediate appellate review by mandamus of the propriety of all interlocutory denials of motions to dismiss must be appropriate. That way lies not only the addition of considerable further delay in the pendency of much civil litigation in the federal courts but also the demise of the congressional policy of postponement of appellate review until after final judgment by the trial court.

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[8] Id. at 30.

[9] 28 U.S.C. § 1651.

[10] Note 3, supra.

[11] 389 U.S. at 95.

2. Venue

The "patent venue statute", 28 U.S.C. § 1400(b), permits a choice of two classes of forum for patent infringement suits. The first is "in the judicial district where the defendant resides". Corporations, for purposes of this section, are residents of their place of incorporation, *Fourco Glass Co.* v. *Transmirra Products Corp.*[12] Petitioner is a corporation of Italy (Petition, p. 5) and therefore not a resident of any judicial district. This statutory section also permits such suits to be brought "where defendant has committed acts of infringement *and* has a regular and established place of business" [emphasis added]. Petitioner admits that it has no regular and established place of business anywhere in the United States (Petition, p. 5). Thus Petitioner is not subject to suit for patent infringement in *any* judicial district in the United States if venue can only be founded upon the provisions of 28 U.S.C. § 1400(b).

Petitioner contends that the inapplicability of any of the provisions of 28 U.S.C. § 1400(b) leaves it totally immune from suit in any and all U.S. district courts for infringement of U.S. patents. For support of this strange contention, Petitioner places its demonstrably misplaced reliance on this Court's opinion in *Fourco.*[13]

In *Fourco,* however, the defendant was a West Virginia corporation, and therefore subject to suit for patent infringement under 28 U.S.C. § 1400(b) in at least one district: the district in which it resides. The same is true of the parties contesting venue in

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[12] 353 U.S. 222, 226 (1957).

[13] Ibid.

the other two decisions of this court relied upon by Petitioner, *Schnell* v. *Peter Eckrich & Sons, Inc.*,[14] and *Stonite Products Co.* v. *Melvin Lloyd Co.*[15] In all three of those cases the party contesting venue was subject to suit in at least one judicial district which satisfied 28 U.S.C. § 1400(b) and in all three of those cases this Court uniformly held that the patent infringement suit must be brought in one of those districts. It was in this context that this Court ruled in *Fourco* that the patent venue provisions of 28 U.S.C. § 1400(b) are not supplemented by the general corporate venue provisions of 28 U.S.C. § 1391(c) in patent infringement cases.[16]

Is there any sound basis for extending this Court's holding in *Fourco, supra,* to situations involving alien defendants not subject to suit in any judicial district specified by 28 U.S.C. § 1400(b)? When last confronted by this problem,[17] this Court thought not:

> Upon deliberate advisement, and for the reasons above stated, we are of opinion that the provision of the existing statute, which prohibits suit to be brought against any person "in any other district than that whereof he is an inhabitant," is inapplicable to an alien or a foreign corporation sued here, and especially in a suit for the infringement of a patent right . . . .[18]

In most of the cases construing the current venue statute, the lower federal courts have followed the same

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[14] 365 U.S. 260 (1961).

[15] 315 U.S. 561 (1942).

[16] 353 U.S. at 229.

[17] In re Hohorst, 150 U.S. 653 (1893).

[18] Id. at 662.

reasoning to permit the alien corporation to be sued for patent infringement under the alien venue provisions of 28 U.S.C § 1391(d) wherever it could be served.[19] In one such case,[20] after carefully weighing the effect of the two alternative interpretations, the court held the alien corporation subject to suit in the district where it could be properly served, observing:

> . . . the effect of holding § 1400(b)'s requirements exclusive in a suit against an alien would be to permit a foreign infringer, who conceivably could flood this country with merchandise known by it to infringe, to escape responsibility merely because it did not maintain a regular business here. Such a construction could work grave injustice in some cases by denying victims any relief at all, even under circumstances where fundamental fairness required the alien to subject himself to the jurisdiction as a condition to his doing business here.[21]

Petitioner now contends that subjecting it to suit for patent infringement in any forum sanctioned by 28 U.S.C. § 1391(d) deprives it of due process of law guaranteed by the Fifth Amendment to the U.S. Constitution as well as the Civil Rights Act of 1870, inas-

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[19] Olin Mathieson Chemical Corp. v. Molins Organizations, Ltd., 261 F. Supp. 436 (E.D. Va. 1966); Charles Pfizer & Co. v. Laboratori Pro-Ter Prodotti Therapeutici, 278 F. Supp. 148 (S.D. N.Y. 1967); Deering Milliken Research Corp. v. Stahlecker, 166 U.S.P.Q. 321 (D.S.C. 1969); SCM Corp. v. Brothers Int'l Corp., 316 F. Supp. 1328 (S.D.N.Y. 1970). Contra: Coulter Electronics, Inc. v. A. B. Lars Ljunberg Co., 376 F 2d 743 (7th Cir. 1967), *cert. denied* 389 U.S. 859 (1967); Raytheon Co. v. Sanyo Denki K.K., 168 U.S.P.Q. 422 (N.D. Ill. 1970).

[20] Charles Pfizer & Co. v. Laboratori Pro-Ter Prodotti Therapeutici, 278 F. Supp. 148 (S.D.N.Y. 1967).

[21] Id. at 153.

much as domestic corporations are not subject to suit in all such fora. This constitutional issue, not having been raised below by Petitioner, is for that reason alone not properly raised now before this Court. *Shelley* v. *Kraemer*.[22] However, it may also be pointed out that if this contention were to have any merit at all, it would place into question the constitutional validity not only of the practice of supplementing the patent venue statute[23] with the alien venue statute[24] but also of the alien venue statute in its entirety! That statute clearly permits a wider choice of forum in actions against aliens than any of the federal venue provisions permit in actions against domestic defendants. Thus, if a wider choice of forum in suits against aliens than against domestic defendants is violative of the aliens' Fifth Amendment Due Process guarantees, then the alien venue statute must be unconstitutional *per se*. However, the evanescent presence of alien defendants such as Petitioner in any given judicial district is ample justification for the broader venue provisions for federal actions against them. The constitutional protection which Petitioner here seeks to invoke does not guarantee aliens the same treatment in all respects as citizens;[25] nor is any federal legislation granting greater protection to citizens than to aliens abhorrent to those guarantees.[26]

As spurious as Petitioner's claim of violation of its constitutional rights is its claim that the federal venue

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[22] 334 U.S. 1, 8-9 (1948).

[23] 28 U.S.C. § 1400(b).

[24] 28 U.S.C. § 1391(d).

[25] U.S. v. Pink, 315 U.S. 203, 228 (1942).

[26] Rok v. Legg, 27 F.Supp. 243 (S.D.Cal. 1939).

statutes render it free from suit for patent infringement because it neither resides nor has a regular and established place of business in any judicial district. What a strange state of affairs for Congress to create: to give the federal District Courts exclusive jurisdiction over patent infringement actions[27] and then to establish rules for the selection of specific District Courts which provide a forum against every resident defendant but none whatsoever against alien corporations such as Petitioner.

Petitioner also suggests that Respondent enforce its patents against Petitioner's customers for use of the machines in the United States, but fails to mention the number of suits which would be required if such a course were followed. It is Respondent's claim against Petitioner for the sale of its machines in the United States[28] for which recovery is sought in this action below. This claim, the only meaningful one available to Respondent, is the one which Petitioner would frustrate by the statutory interpretation which it urges.

Venue statutes provide guidelines for selecting which of the courts having jurisdiction of a controversy will be deemed to provide a sufficiently convenient forum for its resolution. To interpret these statutes so as to deprive a claimant of all available fora for the enforcement of his cause against one class of wrongdoers not only does violence to the clear command of those statutes and the Congress' intent in enacting them, but serves no discernible useful policy whatever.

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[27] 28 U.S.C. § 1338(a).

[28] 35 U.S.C. §§ 271(a), 281.

CONCLUSION

The Petition for a Writ of Certiorari should be denied because (1) any alteration of the Court of Appeals order denying mandamus would of necessity greatly increase the volume of immediate appellate review of interlocutory orders sought by petitions for extraordinary writs and broaden the carefully and narrowly defined guidelines for the granting of such writs heretofore laid down by this Court; and because (2) the District Court correctly ruled on the question of venue in the interlocutory order here sought to be reviewed.

Respectfully submitted,

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SUPREME COURT, U. S.
FILED
MAY 26 1971
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1593

SOCIETE INDUSTRIES MECHANIQUES ALLIES,

Petitioner,

VS.

**HONORABLE OREN R. LEWIS,
UNITED STATES DISTRICT JUDGE
FOR THE EASTERN DISTRICT OF VIRGINIA,
ALEXANDRIA DIVISION, AND
DEERING MILLIKEN RESEARCH CORPORATION,**

Respondents.

PETITIONER'S REPLY BRIEF IN RESPONSE TO ANSWERING BRIEF OF RESPONDENT DEERING MILLIKEN RESEARCH CORPORATION TO PETITION FOR A WRIT OF CERTIORARI

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PETITIONER'S REPLY BRIEF IN RESPONSE TO ANSWERING BRIEF OF RESPONDENT DEERING MILLIKEN RESEARCH CORPORATION TO PETITION FOR A WRIT OF CERTIORARI

Petitioner respectfully invites the Court's attention to the recent Ninth Circuit Court of Appeals decision in *Kockum Industries, Inc.* v. *Brunette Machine Works, Ltd.*, No. 24105, (Annex A, infra) on the same venue question as involved here. The *Kockum* case, decided April

20, 1971, was not available at the time the instant Petition was filed. Petitioner also replies herein to certain erroneous statements of fact and to arguments first raised in the answering brief of respondent Deering Milliken Research Corporation.

1. CERTIORARI SHOULD BE GRANTED IN VIEW OF THE REAL AND GROWING CONFLICT AMONG THE CIRCUITS ON PATENT VENUE AS TO ALIEN DEFENDANTS.

Conflict among the circuits is a well established ground for granting certiorari in patent cases, e.g. *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* decided May 3, 1971, where this Court recognized the severe and unequal financial burden imposed upon a defendant in such litigation. Review has been granted to resolve the uncertainties of a conflict on patent venue questions, *Fourco Glass Co.* v. *Transmirra Corp.,* 353 U.S. 222 (1957), and on questions in the administration of the Federal Rules of Civil Procedure, *La Buy* v. *Howes Leather Co.,* 352 U.S. 249, 251 (1957).

Expansion of the conflict throughout the country on patent venue as to alien defendants has been underscored by the recent *Kockum*(*) decision of the Ninth Circuit Court of Appeals, supra. In that case, the District Court dismissed a patent infringement action against an alien defendant on the ground of improper venue, holding that the governing statute is 28 U.S.C. §1400(b).

(*) Counsel for petitioner have received a communication from the attorneys representing the defendant in the *Kockum* case indicating that a Petition for a Writ of Certiorari to the Ninth Circuit is to be brought in this Court (Annex B).

The Court of Appeals reversed, specifically declining to follow the decision of the Seventh Circuit Court of Appeals in *Coulter Electronics, Inc.* v. *A.B. Lars Ljungberg & Co.*, 376 F. 2d 743 (7th Cir. 1967), cert. den., 389 U.S. 859 (1967), and holding instead that the general venue statute, 28 U.S.C. §1391(d), overrides the special venue statute, 28 U.S.C. §1400(b), in the case of an alien defendant charged with patent infringement.

2. THERE IS NO INFRINGEMENT OF A UNITED STATES PATENT FOR WHICH REDRESS IN THE COURTS IS REQUIRED.

Respondent, Deering Milliken Research Corporation, asserts in its Brief at pages 3-4 that it claims infringement of its patents by reason of petitioner's alleged selling of accused machines "in the United States through its agent, the individual co-defendant." There is, however, no statement of any fact of a sale of the accused machines in the United States.

This respondent further asserts in its Brief at page 4 that petitioner admits "to having received orders for those machines at those [United States] trade shows." This is not correct. As stated at page 8 of the Petition, no orders were taken for the accused machines. Respondent has misstated the record.

The answering respondent then contends in its Brief at page 12 that it is left without redress against petitioner if petitioner can not be sued in any district. On the contrary, respondent Deering Milliken is not without redress for the reason that Congress has specifically legislated in this area providing a specific remedy, namely, an exclusion order under Section 337 of the Tariff

Act of 1930 (19 U.S.C. 1337). Respondent and the courts below would by judicial legislation provide a second remedy even though Congress has shown an awareness of the problem and provided relief to the extent deemed appropriate.

3. MANDAMUS IS AN APPROPRIATE REMEDY FOR SUBSTANTIAL THRESHOLD QUESTIONS IN CIVIL CASES SUCH AS THOSE PRESENTED HERE.

At pages 4-7 of its Brief, respondent Deering Milliken seeks to delay review of the patent venue question at this time and thereby force petitioner first to undertake the expense of patent litigation if it can afford to do so. This imposition of expense is a form of patent enforcement not intended by the Patent Statutes. *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation,* ..... U.S. ..... (May 3, 1971). The argument that review by way of a writ of mandamus will open the door to interlocutory appeals, not only overlooks the enforcement of patents by economic burden but also overlooks the distinction between the right of the lower court to proceed in the first instance and questions arising after that right is established.

The patent venue provisions relate to both the economic burden and the initial right of the court to proceed. As this Court noted in *Schnell* v. *Peter Eckrich & Sons, Inc.,* 365 U.S. 260, 264 (1961), " 'the requirement of venue is specific and unambiguous; it is not one of those vague principles which, in the interest of some overriding policy, is to be given a 'liberal' construction' ", (citing *Olberding* v. *Illinois Central Railroad Co.,* 346 U.S. 338).

Respondent's reliance on this Court's decisions in *Will* v. *U. S.,* 389 U.S. 90 (1967) and *Roche* v. *Evaporated Milk*

Association, 319 U.S. 21 (1943), to strike down interlocutory review in all cases by way of a writ of mandamus is misplaced. Those cases are criminal cases in which a policy against piecemeal appeals takes on added significance, and which were distinguished by this Court in *Will* v. *U .S.* at 389 U.S. 100 from other decisions in civil cases. Indeed, contrary to the implication at page 5 of respondent's Brief, the Court of Appeals for the Fourth Circuit did not cite *Will* v. *U. S.* or any other decision in denying the present petition for a writ of mandamus.

It does not appear that respondent's suggested restriction on the use of a writ of mandamus has ever been accepted. In *Hoffman* v. *Blaski et al.,* 363 U.S. 335 (1960), this Court granted interlocutory review of procedural questions on petition for writ of mandamus where, as in the present case, threshold questions determinative of whether or not an action would lie were in conflict among the various circuits. Similarly, in *La Buy* v. *Howes Leather Co.,* 352 U.S. 249 (1957), the use of a writ of mandamus for policing compliance with procedural rules in civil cases was approved.

The instant case presents not only special circumstances, but most unusual circumstances, which justify review by this Court. The courts below, in defiance of the holdings by this Court in three prior decisions, have disregarded its rule of law that the special patent venue statute, 28 U.S.C. 1400(b) is controlling in *all* patent infringement actions and is not modified by the provisions of the general venue statute. *Pure Oil Co.* v. *Suarez,* 384 U.S. 202, 206 (1966). By their divergence and conflicting decisions, the courts below have judicially cre-

ated still another venue provision in which patent infringement actions may be brought against aliens in some districts but not in others. Such an aberration of the patent venue statute should not be permitted to stand. Either the anti-competitive burden of a patent infringement suit should apply equally to aliens throughout the country or it should be relegated to its proper place as pronounced by the Court of Appeals for the Seventh Circuit in *Coulter, supra.*

4. THE CONSTITUTIONAL ISSUE IS FAIRLY COMPRISED WITHIN THE QUESTIONS BEFORE THE COURT.

Respondent Deering Milliken further asserts at page 11 of its Brief that the constitutional issue is "spurious" and not properly raised before this Court, citing *Shelley* v. *Kraemer,* 334 U.S. 1, 8-9 (1948). The rationale of that case was, however, directed to situations where the appellant seeks review by certiorari on the basis of the constitutional question *per se.* In the instant case, review by this Court is sought on the basis of the growing conflict among circuit courts of appeal on the important venue question noted above. In the *Schnell* and *Coulter* cases, *supra,* it was recognized that supplementing the special patent venue statute with the general venue statute, as the courts below would do, amounts to judicial legislation. It is petitioner's position that this raises a constitutional issue, fairly comprised within the questions presented, and clearly reviewable herein by this Court.

CONCLUSION.

For the reasons set forth above and in the Petition, certiorari should be granted.

Respectfully submitted,

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May 25, 1971

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

KOCKUM INDUSTRIES, INC.,
Plaintiff-Appellant,

v.

BRUNETTE MACHINE WORKS LTD.,
Defendant-Appellee.

No. 24,105

[April 20, 1971]

Appeal from the United States District Court
For the District of Oregon

Before: DUNIWAY and CARTER, Circuit Judges, and GRAY, District Judge*

PER CURIAM:

The appellant brought a patent infringement action in the United States District Court in Oregon against the appellee, a corporation whose principal place of business is in British Columbia, where it was formed. The appellee successfully moved for dismissal of the action on the ground of improper venue, and this appeal followed.

The court below presumably agreed with the appellee that the governing statute is 28 U.S.C. § 1400(b), which provides that "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." Inasmuch as the appellee neither "resides" in Oregon nor has "a regular and established place of business" there, § 1400(b) does not establish venue in that district.

*Honorable William P. Gray, United States District Judge, Central District of California, sitting by designation.

ANNEX A

However, the appellant relies upon 28 U.S.C. § 1391(d), which states that "An alien may be sued in any district."

This very same issue as to which of the two statutes is applicable in patent infringement actions against aliens, was presented in *Chas. Pfizer & Co. v. Laboratori Pro-Ter Prodotti Therapeutici*, 278 F. Supp. 148 (S.D. N.Y. 1967). Judge Mansfield there ruled that 28 U.S.C. § 1391(d) controls. We agree with that decision and with the carefully reasoned opinion upon which it is based.

We are mindful of the decision in *Coulter Electronics, Inc. v. A. B. Lars Ljungberg & Co.*, 376 F.2d 743 (7th Cir. 1967), *cert. denied*, 389 U.S. 859, 88 S.Ct. 103, 19 L.Ed.2d 124 (1967), as was Judge Mansfield, but we decline to follow it, for the same reasons as those stated in *Pfizer* and in *SCM Corporation v. Brother International Corporation*, 316 F. Supp. 1328 (S.D. N.Y. 1970).

Accordingly, the order of the district court dismissing the action here concerned is reversed and the case remanded for further proceedings.

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May 20, 1971

File - BRU 6585.1

James B. Muskal, Esq.
Wolfe, Hubbard, Leydig
Voit & Osann, Ltd.
One N. LaSalle Street
Chicago, Illinois 60602

Dear Mr. Muskal:

Thank you for providing us with a copy of your petition for certiorari in S.I.M.A. v. Lewis.

We represent defendant in Kockum Industries v. Brunette Machine Works, Ltd. and in that case on April 20, 1971, the Court of Appeals for the 9th Circuit held that § 1391(d) rather than § 1400(b) of Title 28 USC was controlling in the case of an alien defendant in a patent infringement case. The 9th Circuit expressly declined to follow the prior contrary decision of the 7th Circuit in Coulter Electronics, Inc. v. A. B. Lars Ljungberg & Co., 376 F2d 743.

In view of the direct conflict between these decisions, we have been authorized by Brunette Machine Works to file a petition for certiorari. It is our intention to do so promptly and hope that the Supreme Court will resolve this conflict between the various circuit courts of appeals.

Very truly yours,

J. Pierre Kolisch

JPK:elt

cc: Brunette Machine Works

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ANNEX B